

RÉSUMÉ DIGEST

ACT 146 (SB 260)

2015 Regular Session

Broome

Prior law provided for consensus estimating conferences and provides for their duties and principals.

New law retains prior law and provides for the creation of the Group Benefits Estimating Conference. New law provides for the duties and principals of the Group Benefits Estimating Conference. The conference principals are as follows:

- (1) A professional member of the governor's staff appointed by governor.
- (2) A professional member of the commissioner of administration's staff appointed by COA.
- (3) A professional member of the legislature appointed by the president of Senate appointed by the president.
- (4) A professional member of the legislature appointed by the speaker of the House, appointed by the speaker.
- (5) A professional member of OGB appointed by the commissioner.
- (6) An individual member with five years professional experience or fiscal expertise in health insurance, actuarial services, financial services, or banking industries to be selected from list of names submitted by the commissioner of insurance, the commissioner of financial institutions, and the Legislative Auditor.

New law provides for the duties and principals of the Group Benefits Estimating Conference.

Prior law provided for the powers and duties of the Office of Group Benefits.

New law retains prior law and adds that the commissioner of administration shall use any official information developed by the Group Benefits Estimating Conference in the development of premium rates.

New law also provides that any new plan of benefits or the annual plan of benefits submitted by the commissioner of administration through the Office of Group Benefits or any contract negotiated by the Office of Group Benefits shall be subject to review and approval by the appropriate standing committees or subcommittees of the legislature having jurisdiction over agency rules by the Office of Group Benefits and the office of state procurement of the division of administration. Provides for review of plan of benefits and contracts for professional, personal, and social services contracts other than contracts for legal services or actuarial services, including contracts modified by \$1 million or more.

New law further provides that any adjustments to such contracts in the amount of one million dollars shall require review and approval of the oversight committees before implementation. Such adjustments shall show the fiscal impact to the plan of benefits as well as the rate structure, if any, over the subsequent three years or maximum contract period.

Prior law established the Group Benefits Policy and Planning Board and provides that it shall review life and health benefit programs offered to eligible employees.

New law retains prior law and adds that the board shall review and recommend the proposed rate structure that supports the life and health benefit plan.

New law provides that the chief executive officer shall submit any proposed changes of the rate structure to the board which shall review and make recommendations prior to final adoption of the plan.

New law provides the plan submitted by the commissioner of administration shall include an estimate of the costs and an estimated rate structure for a three-year period.

Prior law required the board to submit a written report to the appropriate legislative oversight committees regarding modifications of the proposed benefit plans.

New law retains prior law and adds that the board shall submit a written report to the commissioner of administration and the chief executive officer of the Office of Group Benefits in addition to the appropriate legislative oversight committees, regarding modifications of the proposed benefit plans.

New law adds that the board shall use any official information provided by the Group Benefits Estimating Conference as may be necessary in the review and recommendation of benefits plans and proposed rate structures.

Prior law provides for the composition of the board as sixteen members with fifteen voting.

New law changes prior law in regards to the board composition from 16 members to 11 voting members. The existing membership is as follows:

- (1) One member of the House appointed by the speaker.
- (2) One member of the Senate appointed by the president.
- (3) The commissioner of insurance (nonvoting).
- (4) Five members appointed by the governor from individuals in the private sector.
- (5) Two members elected by retired participants in the health benefits program - one from among the retired teachers or retired school employees; one from among retired state employees.
- (6) Six who shall be elected by participants in health benefits programs from the following agencies - higher education, teachers, DHH and DCFS, DOTD, and DPS/Corrections.

New law changes prior law by providing for an eleven member voting board which retains two retiree members to be elected and nine members to be appointed as follows: three members appointed by the speaker of the House of Representatives; three members appointed by the president of the Senate, and three members appointed by the governor.

New law provides that each of the appointed members shall have a minimum of five years professional experience or fiscal expertise in the industries of health insurance, actuarial sciences, financial services, or banking.

New law provides that terms of the members are staggered similar to existing law - legislative appointees serve four year terms; gubernatorial appointees shall serve six year terms; and the terms of the elected retiree members are six years.

New law requires Senate confirmation of all appointed members, including any serving in the event of a vacancy.

Effective January 1, 2016.

(Amends R.S. 42:802(B)(7), 881, 882(A), (B), (D), and (E); adds R.S. 39:21.3(G) and R.S. 42:802(D))